

DP04

Principles of Management

9 OCTOBER 2003

1. Time allowed : Three (3) hours
2. Total number of questions : Six (6) questions
3. Number of questions to be answered : Four (4) questions [25 marks each]
4. Begin each answer to a new question on a fresh page.
5. Answer **all** questions in **English**.
6. Blank pages are provided at the end of the question paper for rough work.

ANSWER FOUR (4) QUESTIONS ONLY

1. "Money is the only effective motivator. If you want people to work harder, pay them more and they will perform better. All other forms of so-called motivators are a waste of time, money and effort."

Do you agree or disagree with the above statement? Support your arguments with the relevant motivation theories. Your answer should also include other possible motivators. (Total:25 marks)

2. (a) Define "perception" and describe the factors that influence an individual's perception. [10]

(b) Explain the shortcuts (perception distortions) that are frequently used in judging people and how might these affect management effectiveness. [15]
(Total:25 marks)

3. (a) Managers need skills to effectively and efficiently perform the roles expected of them in their organisations. One of the skills that a manager will need is the skill of decision making.

Outline the steps involved in the decision-making process and illustrate each step of the process with examples. [15]

(b) Explain **four** reasons why many managers are reluctant to participate in the actual decision making and decision implementation process. Illustrate your answer with examples. [10]
(Total:25 marks)

4. "Why use teams when one person can do the job better and in a shorter time? After all, working in teams do nothing but use up precious time and resources. Furthermore, team formation goes through a stage called storming and we can live without that sort of conflict."

Assume that you are very much a team-oriented person. Discuss the above statement by arguing your case against it. Your answer should also outline the importance and benefits of teamwork. (Total:25 marks)

5. (a) What are the assumptions that were made by Douglas McGregor in his Theory X and Theory Y of motivation? [12]

(b) How does an understanding of the above theories help managers to manage their subordinates better? [13]
(Total:25 marks)

6. (a) What are the key characteristics of charismatic leaders? Discuss each of these key characteristics in detail and illustrate your answer with examples. [15]

(b) Are good managers naturally also good leaders and vice versa? Discuss this statement in detail. [10]
(Total:25 marks)

OUTLINE ANSWERS

Question 1

- Candidates who disagreed with the statement that money is the only effective motivator were able to argue their cases well, but most of those who agreed ended up being unsure of their arguments.
- Candidates should learn to be more analytical when answering this type of question. Instead of just regurgitating the facts, candidates should be able to link the theory with the question.

1. Candidates should utilise some of the motivation theories when answering this question, in particular, Herzberg's two-factor theory. The astute candidate will understand that money, while being a fairly important motivator, is not the only motivator. Furthermore, money's ability to stay as a motivator is often short term and can quickly become a hygiene factor. The candidate will be expected to list down the other factors that are recognised as motivators, while listing the hygiene factors that only keep workers from being dissatisfied.

Question 2

Few candidates attempted this question, and some of them were not sure of their facts.

2.
 - (a) Perception can be defined as the process by which we organise and interpret the things that we see around us so as to give meaning to our environments. Perceptions might be right or they might be wrong and factors like The Perceiver, The Target and the Situation tend to affect the way we perceive things. For example, the perceiver tends to be influenced by things such as past experiences, the target, who is loud, tends to be more often noticed than a quiet target and situational factors can affect the way we see things (such as colours and setting). The candidate will need to describe and discuss these in detail.
 - (b) The shortcuts include selective attention, selective recall, selective distortion, stereotyping and the halo effect. Candidates will need to be able to translate the theory into practice by relating how these shortcuts might, for instance, cause the loss of a good worker.

Question 3

Candidates had no difficulty attempting this question on the decision-making process and why managers are reluctant to participate in the process.

3.
 - (a) This part is straightforward and the candidate will basically be required to outline the 8 steps that are needed for proper decision making. These 8 steps are:
 1. identification of a problem
 2. identification of decision criteria
 3. allocation of weights to criteria
 4. development of alternatives
 5. analysis of alternatives
 6. selection of an alternative
 7. implementation of the chosen alternative
 8. evaluation of the effectiveness of the decision made.

What will make the question more demanding is that the candidate is required to illustrate each step of the process. The candidate will do best if he or she takes a problem as the starting point and then work through the process, solving the problem as he progresses along the 8 steps.

- (b) The candidate is required to list out the reasons for the reluctance to take action. These might include a sense of incompetence, fear of failure, fear of loss of popularity (especially in the case of an unpopular decision) and so on.

Question 4

Candidates were required to argue against the statement given and most of them did well. However, a number of them had additional points which were unnecessary.

4. The candidate must remember that the question asks for the candidate to argue against the statement. His (or her) answer must recognise the fact that the statement states that time and resources are wasted and he must therefore address this. Also, consideration must be given to the fact that teams tend to go through conflicts but that such conflicts can be functional and can actually help to strengthen the team. The candidate will also need to look at the benefits and importance of teamwork – which is fairly straightforward (creating esprit de corps, allowing management to think strategically, utilising and optimising workforce talent, better performance and so on).

Question 5

This was another well-answered question where the candidates were able to translate the theories into practical approaches.

5. (a) The candidate will need to contrast the various assumptions of the Theory X and Theory Y. This question is very straightforward and answers can be found on page 6-10 of the study manual.
- (a) This part calls for a deeper understanding of the matter. Managers will do well if they understand that there are some workers who must be watched closely, well monitored and who may from time to time, need coercing. They will also need to know that there are those who are responsible and who prefer a measure of autonomy. This will then affect the way that he or she manages.

Question 6

Most candidates were able to list and explain the key characteristics of a charismatic leader, but were unable to discuss the statement on whether a good manager will make a good leader and vice-versa. Candidates should think of how to translate theory into practical application.

6. (a) The characteristics are self-confidence, vision, ability to articulate the vision, strong conviction of the vision, behaviour that inspires, a change agent and the ability to read environmental signals quickly, etc.
- The candidate will need to be able to discuss these factors in detail.
- (b) Good leaders do not automatically become good managers and vice versa. Some may manage well but tend to be dull, routine and uninspiring as leaders. Some may lead but lack the discipline to manage routine matters. The candidate's critical thinking will be appraised in this section.